

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEBRASKA

IN THE MATTER OF:	)	
	)	
WESTERN BIOMASS ENERGY, LLC,	)	
	)	CASE NO. BK12-21085 (D. Wyo.)
Debtor(s).	)	
MIDWEST RENEWABLE ENERGY, LLC,	)	A12-4097-TLS
a Nebraska limited liability company,	)	
	)	7:11CV5009
Plaintiff(s),	)	
	)	
vs.	)	CHAPTER 11
	)	
WESTERN BIOMASS ENERGY, LLC;	)	
KL PROCESS DESIGN GROUP, LLC;	)	
KL ENERGY CORP.; and	)	
RANDALL P. KRAMER,	)	
	)	
Defendant(s).	)	

REPORT & RECOMMENDATION

This matter is before the court on the status reports filed by the plaintiff (Fil. No. 5) and defendant KL Energy Corporation (Fil. No. 6).

The plaintiff filed this lawsuit in July 2011 to collect more than \$1 million in damages allegedly resulting from unpaid construction work performed at defendant Western Biomass Energy's ethanol plant in Lincoln County, Nebraska. Western Biomass Energy filed a Chapter 11 proceeding in Wyoming on October 31, 2012, which resulted in the civil action being transferred to this court.

The automatic stay of 11 U.S.C. § 362 protects the debtor from any attempts to collect a debt from it, but the non-debtor defendants do not enjoy the same protection. Therefore, I respectfully recommend to the United States District Court for the District of Nebraska that it withdraw the reference of this adversary proceeding to proceed with the litigation against KL Process Design Group, KL Energy Corp., and Randall P. Kramer, while staying the case as to the party in bankruptcy until the automatic stay is no longer in effect or until relief from the automatic stay is requested and obtained from the Wyoming bankruptcy court.

The Clerk of the Bankruptcy Court shall process this recommendation pursuant to the local court rules.

DATED: January 9, 2013

RESPECTFULLY SUBMITTED,

/s/ Thomas L. Saladino

Chief Judge

Notice given by the Court to:

Jerrold L. Strasheim  
Terrance O. Waite  
Patrick M. Heng  
David P. Broderick  
Randall P. Kramer  
U.S. Trustee